



DATE: JUNE 29, 2006

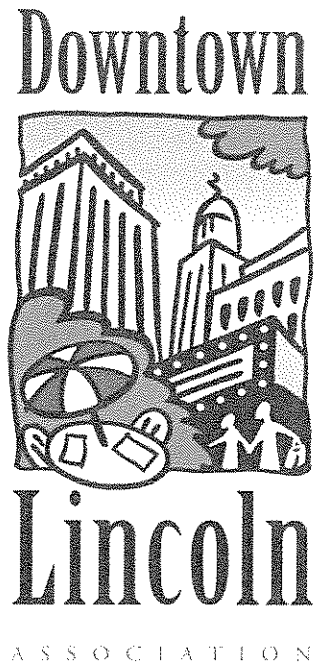
**TO: MAYOR COLEEN SENG
LINCOLN CITY COUNCIL
MARC WULLSCHLEGER**

**FROM: Drew Stange, DLA Chair
Polly McMullen, DLA President**

**SUBJECT: 2006-07 PROPOSED BID BUDGETS
AND PROGRAM OF WORK**

We are pleased to submit for your review and public hearing, scheduled for July 24 at 1:30 p.m., the proposed Management and Maintenance BID budgets and Program of Work for 2006-07. These budgets were approved by unanimous vote of our Board of Directors on June 27, 2006.

DLA thanks the city for your support of downtown Lincoln this past year and we look forward to working with you for another successful year downtown.



**2006-07 Proposed
Maintenance and Management
BID Budgets
&
Program of Work**

**Downtown Lincoln Association
June 2006**

**BUDGET ASSUMPTIONS
PROPOSED 2006-07 MAINTENANCE BID**

1. 3.5% increase in property owner and city assessments based on April, 2006 12 month CPI. Will generate additional income of \$12,530.
2. 3.5% increases in Parking Garage Landscaping and Star Tran service contracts, generating \$581 in additional revenue.
3. \$46,500 in City's Tree Replacement Plantings Funding, with \$18,000 of this amount directed to staff salaries.
4. Increased expenses include:
 - \$500 in landfill refuse budget due to increased expenses
 - \$3648 increase in liability and umbrella insurance coverage based on increased expenses this year.
 - 10% increase in rent due to 2/1/07 expiration of 10-year maintenance shop lease.
 - \$8,512 increase in salaries and benefits (includes 3.5% raises, 20% increase in health insurance premiums effective 3/1/07).

***1997 Maintenance BID ordinance allows up to 5% annual increase in assessment rates.**

**Downtown Lincoln Association
Maintenance BID Budget
Sept. 1, 2006 - August 31, 2007**

Category	2005-06 Approved	2005-06 Forecast	2006-07 Proposed
INCOME			
Property Owner Assessment*	192,782	192,782	199,529
City of Lincoln Maintenance Contribution	200,582	200,582	206,365
City of Lincoln Gen. Fund/Tree Replacement	46,500	46,500	46,500
City of Lincoln/Holiday Lighting	0		
GSA Contract	7,488	7,488	7,750
StarTran Bus Stop Service Agreement	2,373	2,373	2,456
Parking Garage Landscape Service Agreement	14,239	14,239	14,737
LHDC Farmers' Market Service Agreement	5,254	5,296	5,438
Interest Income	300	300	300
TOTAL INCOME	\$469,518	\$469,560	\$483,075
EXPENSES			
Personnel Salaries/Benefits	337,300	330,832	345,812
Uniforms	500	1,000	750
Federal/PO/LHA Share Special Assessments	10,267	10,267	10,631
Holiday Installation, Repair & Maintenance	10,799	16,541	12,572
Insurance	5,752	9,236	9,400
Administrative Costs to DLA	20,000	20,000	20,000
Downtown Master Plan/BID Renewal	5,000	1,234	
Professional Fees	500		500
Professional Development	600	350	500
Landfill/Refuse	4,450	4,500	5,000
Rent	23,100	23,100	25,410
Utilities	7,750	9,000	9,000
Repairs/Supplies	15,000	15,000	15,000
Replacement Plantings	28,500	28,500	28,500
Total Maintenance BID Expense	\$469,518	\$469,560	\$483,075

*60,349.447812 front ft. @ 3.1944270755/front ft. => \$192,782 for FY 2005-06

*60,549.464612 front ft. @ 3.30782923668/front ft. = \$200,287 for FY 2006-07

NOTE:

Federal/PO/LHA properties equal 3,213.97 front feet x \$3.19 = 10,266.79 for FY 2005-06

Federal/PO/LHA properties equal 3,213.97 front feet x \$3.30 = 10,631.26 for FY 2006-07

**DOWNTOWN LINCOLN ASSOCIATION PROPOSED ANNUAL PROGRAM OF WORK
SEPTEMBER 2006 – AUGUST 2007**

DOWNTOWN BID PROGRAM PRIORITIES WITH BUDGET REQUIREMENTS

ECONOMIC DEVELOPMENT

1. Continue investor marketing to developers, real estate brokers, prospective tenants and building owners.
2. Continue general consumer advertising to support and promote downtown.
3. Continue a "benchmarking" system to track progress in downtown development.
4. Pay annual membership dues to the Lincoln Partnership for Economic Development.
5. Prepare a Retail Retention and Recruitment Strategy to support Downtown Master Plan.

Total Economic Development (includes staffing) \$100,000

COMMUNICATIONS AND ADVOCACY

1. Publish "Downtown Beat" newsletter on bi-monthly basis.
2. Update, maintain and continue to enhance DLA web page.
3. Publish and disseminate Annual Report and Downtown Growth Report in conjunction with annual meeting.
4. Publish and distribute a Downtown Visitors Guide and a Dining, Shopping and Parking Guide.

Total Communications/Advocacy (includes staffing) \$87,500

PARKING AND TRANSPORTATION INITIATIVES

1. Continue efforts to implement recommendations from the 2004 Carl Walker Study with a goal of ensuring a cost-effective, customer-oriented and coordinated approach to downtown parking.
2. Increase awareness of downtown parking programs and options for part-time workers.
3. Provide a parking information database through DLA web page.
4. Conduct issue research and education on parking and transportation needs, trends and options.

Total Parking Budget (includes staffing) \$60,000

TOTAL DOWNTOWN BID \$282,333

CORE OVERLAY BID PROGRAM PRIORITIES/BUDGET REQUIREMENTS

1. Support efforts to bring additional visitors, meetings and conferences to downtown hotels and businesses.
2. Replace worn holiday lights and provide funding for installation of holiday displays.
3. Replace outdated benches and trash receptacles in conjunction with redevelopment and streetscape projects.
4. Provide support to downtown Events Management Corporation/Updowntowners.
5. Continue to organize and provide funding for downtown public space entertainment events, including Downtown Performance Series, Holiday Lighting Event and Midweek Farmers' Market.
6. Prepare a Retail Retention and Recruitment Strategy to support Downtown Master Plan.

Total Core Overlay Budget (includes staffing) \$117,000

TOTAL PROGRAMS BEFORE MANAGEMENT AND SUPPORT \$365,000

BUDGET ASSUMPTIONS
PROPOSED 2006-07 MANAGEMENT BIDS

1. Proposed \$515,000 budget and allocations within budget category reflect the 2006 BID Business Plan adopted by the DLA Board which became the basis for the March, 2006 ordinances approved by the City Council renewing the Management BIDs.
2. Deputy Director position is included beginning in March, 2007 at a base salary of \$65,000 plus benefits.
3. \$20,000 in funding for the Retail Retention & Recruitment Strategy has been split between the Downtown BID and Core Overlay BID.
4. \$2500 in annual membership dues to LPED has been added.
5. 3.5% raises based on April 2006 12 month CPI; health insurance premiums increase 20% effective March 1, 2007.
6. Annual rent costs increase to \$23,883 per new office lease in the Sharp Building.

**DOWNTOWN LINCOLN ASSOCIATION
MANAGEMENT BID BUDGET
Sept. 1, 2006 - August 31, 2007**

CATEGORY	2005-06 Approved	2005-06 Forecast	2006-07 Proposed
INCOME			
Property Owner Assessment-Downtown BID	277,710	264,032	285,651
Property Owner Assessment-Core Overlay BID	181,890	159,000	159,349
Transfer from Maintenance	20,000	20,000	20,000
Parking Marketing Contract	35,000	6,718	0
Nonprofit Contributions	48,000	50,840	50,840
Interest Income	250	250	0
TOTAL INCOME	\$ 562,850	\$ 500,840	\$ 515,840
EXPENSES			
CATEGORY	2005-06 Approved	2005-06 Forecast	2006-07 Proposed
DOWNTOWN BID ACTIVITIES & IMPROVEMENTS			
ECONOMIC DEVELOPMENT			
Personnel			
President (25%)	22,679	22,560	29,527
Communications Manager/Deputy Director (35%)	19,988	8,368	14,208
Research Assistant (50%)	15,635	14,013	14,328
Total Personnel	\$ 58,302	\$ 44,941	\$ 58,063
Activities/Products			
Investor/Consumer Marketing	27,569	27,569	28,437
Benchmarking Program	1,000	926	1,000
LPED Annual Dues			2,500
Retail Retention & Recruitment Strategy			10,000
Downtown Retail Council	2,500	1,506	0
Downtown Master Plan/BID Renewal	3,500	3,375	0
Total Activities/Products	34,569	33,376	41,937
TOTAL ECONOMIC DEVELOPMENT	\$ 92,871	\$ 78,317	\$ 100,000

19.4%

CATEGORY	2005-06 Approved	2005-06 Forecast	2006-07 Proposed
COMMUNICATIONS & ADVOCACY			
Personnel			
President (20%)	22,679	22,560	23,621
Communications Manager/Deputy Director (35%)	23,320	11,927	14,208
Research Assistant (10%)			2,866
Office Manager (50%)	13,488	17,073	18,834
Total Personnel	\$ 59,487	\$ 51,560	\$ 59,529
Activities/Products			
BID Newsletter	12,000	12,000	12,000
Business Directory and Map	6,200	6,205	10,000
Annual Meeting/Annual Report	5,000	4,843	3,971
"Do It Downtown" Campaign/Website	5,300	5,300	2,000
Downtown Master Plan/BID Renewal	3,000	2,729	0
Total Activities/Products	\$ 31,500	\$ 31,077	\$ 27,971
TOTAL COMMUNICATIONS & ADVOCACY	\$ 90,987	\$ 82,637	\$ 87,500

17.0%

CATEGORY	2005-06 Approved	2005-06 Forecast	2006-07 Proposed
DOWNTOWN BID ACTIVITIES & IMPROVEMENTS			
PARKING & TRANSPORTATION INITIATIVES			
Personnel			
President (20%)	28,349	28,200	23,621
Communications Manager/Deputy Director (20%)	16,657	6,933	8,119
Research Assistant (30%)	12,508	11,215	8,596
Total Personnel	\$ 57,514	\$ 46,348	\$ 40,336
Activities/Products			
Marketing, Promotion, and Special Parking Projects	9,211	9,211	0
Parking Marketing Campaign	29,750	6,718	0
Downtown Master Plan/BID Renewal	2,000	1,809	0
Special Parking Projects			19,664
Total Activities/Products	\$ 40,961	\$ 17,738	\$ 19,664
TOTAL PARKING & TRANSPORTATION INITIATIVES	\$ 98,475	\$ 64,086	\$ 60,000

11.7%

TOTAL DOWNTOWN BID ACTIVITIES & IMPROVEMENTS	\$277,959	\$225,040	\$247,500
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CORE - ACTIVITIES & IMPROVEMENTS			
CORE AREA IMPROVEMENTS & PROMOTIONS			
Personnel			
President (25%)	28,349	28,200	29,526
Communications Manager/Deputy Director (10%)	6,663	2,725	4,060
Research Assistant (10%)	3,127	2,550	2,866
Office Manager (25%)	6,744	8,537	9,417
Total Personnel	\$ 44,883	\$ 42,012	\$ 45,869
Activities/Products			
Visitor Attractions/Promotions	10,000	5,000	10,000
Replace Holiday Display & Lights	19,000	15,700	16,114

Retail Retention & Recruitment Strategy	0	0	10,000
Replace Street Furniture	12,000	12,000	14,017
Events Management Corp.	15,000	15,000	15,000
Downtown Master Plan/BID Renewal	14,869	13,355	0
Public Spaces Entertainment/Events	7,400	6,400	6,500
Total Activities/Products	\$ 78,269	\$ 67,455	\$ 71,631
TOTAL CORE AREA IMPROVEMENTS & PROMO.	\$ 123,152	\$ 109,467	\$ 117,500
TOTAL BUDGET BEFORE MGMT & SUPPORT	\$ 405,485	\$ 334,507	\$ 365,000
CATEGORY	2005-06 Approved	2005-06 Forecast	2006-07 Proposed
MANAGEMENT & SUPPORT			
Personnel:			
President (10%)	11,340	11,280	11,810
Director of Finance (100%) (64% paid by BID)	37,593	34,768	33,025
Office Manager (25%) (85% paid by BID)	6,744	8,537	9,417
Total Personnel	\$ 55,677	\$ 54,585	\$ 54,252
Fixed Costs:			
BID Interest/Admin. Costs	12,000	12,000	12,000
Rent	19,191	19,350	23,883
Corporate Insurance	8,313	6,961	7,000
Corporate Taxes/Licenses	1,650	1,470	1,500
Total Fixed Costs	\$ 41,153	\$ 39,781	\$ 44,383
Administration:			
Telephone & Utilities	7,135	7,135	7,135
Office Supplies	5,000	5,000	4,000
Postage	4,250	4,250	4,250
Copies	5,700	5,700	5,000
Dues/Subscriptions	2,100	2,100	2,100
Professional Development	10,000	10,000	10,000
Meeting Expense	2,700	2,700	2,500
Repairs & Maintenance	3,500	3,500	2,000
Furniture, Fixtures, & Equipment Lease	5,150	5,150	5,150
Furniture, Fixtures, & Equipment Purchase	2,500	2,500	2,335
Downtown Master Plan/BID Renewal	1,500	1,500	0
Professional, Accounting, & Legal	11,000	11,000	7,735
Total Administration	\$ 60,535	\$ 60,535	\$ 52,205
TOTAL MANAGEMENT & SUPPORT	\$ 157,365	\$ 154,901	\$ 150,840
TOTAL BID BUDGET:			
DOWNTOWN, CORE AND MANAGEMENT	\$ 562,850	\$ 489,408	\$ 515,840

22.8%

29.10%

2006-2007 PRIORITIES WITHOUT SEPARATE BUDGET REQUIREMENTS

1. Partner with City, Chamber, LPED and other stakeholders to implement priority projects in the Downtown Master Plan.
2. In conjunction with Downtown Master Plan, support in the design and construction of next downtown parking garage, ensuring that development potential of the structure and on adjacent parcels is maximized.
3. Facilitate improved utilization of existing parking supply, especially privately owned lots and structures.
4. Continue outreach, communication and accountability to downtown business and property owners through periodic meetings, distribution of "benchmarking" data and questionnaires soliciting feedback on services, issues and concerns.
5. Support efforts to address barriers to development in downtown and in older commercial areas of the city.
6. Continue implementation of 1998 Downtown Tree Replacement Master Plan.
7. Continue to emphasize positive working relationships with all community organizations, including the Downtown Neighborhood Association, Realtors Association of Lincoln, city, county and state governments, the Lincoln Haymarket Development Corporation, University of Nebraska-Lincoln, Lincoln Independent Business Association, Lincoln Chamber of Commerce, Lincoln Partnership for Economic Development, Neighborhoods, Inc., University of Nebraska Technology Development Center and local media.
8. Continue active involvement in city-wide initiatives which significantly impact downtown Lincoln, especially the Angelou Economic Development Plan, Infrastructure Financing Proposals, and efforts to replace the city's outdated municipal auditorium (Pershing Center) with an arena, hotel and conference facilities in West Haymarket.